

Message Text

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ACTION EA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-05 H-01
INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02
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INFO AMEMBASSY BANGKOK
AMEMBASSY JAKARTA
AMEMBASSY MANILA
AMEMBASSY KUALA LUMPUR
AMEMBASSY CANBERRA
AMEMBASSY WELLINGTON
AMEMBASSY OTTAWA
AMEMBASSY PARIS
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CINCPAC

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CINCPAC FOR POLAD

BRUSSELS ALSO FOR USEC

PARIS ALSO FOR USOECD

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E.O. 11652: GDS
TAGS: EGEN, PFOR, ASEAN
SUBJECT: BRIEFING BY SINGAPORE FOREIGN MINISTER ON ASEAN SUMMIT

REF: SINGAPORE 3031

1. SUMMARY: IN A BRIEFING ON THE KUALA LUMPUR ASEAN SUMMIT,

GOS FOREIGN MINISTER RAJARATNAM DESCRIBED THE RESULTS OF THE MEETING AS POSITIVE, ALTHOUGH NOT AS RAPID AN ADVANCE AS "SOME WOULD HAVE LIKED" BECAUSE OF THE DIFFERENT LEVELS AND PACES OF ECONOMIC DEVELOPMENT AMONG THE ASEAN PARTNERS. HE SUGGESTED THAT THE TRILATERAL TARIFF PREFERENCES (EXTENDED UNILATERALLY TO MALAYSIA AND INDONESIA BY SINGAPORE, THAILAND AND THE PHILIPPINES) WOULD EVENTUALLY HAVE A SIGNIFICANT IMPACT ON REGIONAL ECONOMIC INTEGRATION. HE ALSO THOUGHT THAT INTERNAL ECONOMIC COOPERATION MAY BE ACCELERATED BY THE CONSENSUS REACHED BY ASEAN VIS -A- VIS THE EEC, JAPAN AND THE U.S. RAJA STATED THAT JAPAN HAD FOR THE FIRST TIME TAKEN AN ACTIVE, POSITIVE ATTITUDE TOWARD ASEAN, ALTHOUGH HE CONSIDERED THE \$1 BILLION OFFER FOR ASEAN INDUSTRIAL PROJECTS "CLEVER" SINCE IT WAS CONDITIONED ON ALL FIVE ASEAN COUNTRIES' AGREEMENT ON A PROJECT AS WELL AS A FAVORABLE FEASIBILITY STUDY. ASEAN HAD ACCEPTED AUSTRALIAN ASSURANCES THAT AUSTRALIA WOULD BE MORE LIBERAL TOWARD ASEAN EXPORTS WHEN ITS DOMESTIC ECONOMIC SITUATION IMPROVED.

2. ON THE POLITICAL SIDE, RAJA SAID THAT THE ASEAN COUNTRIES NEED TO RELY ON THEIR OWN RESOURCES IN FACING VIETNAMESE AND SOVIET HOSTILITY IN VIEW OF THE "MORE DETACHED ROLE" OF THE EEC AND THE U.S. IN THE REGION. HE HOPED THAT PROBLEMS WITH HANOI COULD BE RESOLVED WITHOUT OUTSIDE HELP. HE WAS PUZZLED BY THE VACILLATING ATTITUDE SHOWN BY THE VIETNAMESE AND THE SOVIETS TOWARD ASEAN, AND NOTED THE PRC'S MORE SYMPATHETIC REACTION.

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3. IN REPLY TO MY QUESTION, RAJA REPLIED THAT THE INDONESIAN PROPOSAL FOR STRENGTHENING THE ASEAN SECRETARIAT HAD BEEN TURNED DOWN BY THE OTHER FOUR COUNTRIES. IN HIS VIEW, THE PROBLEM IS ONE OF POLITICAL WILL TO TAKE POSITIVE ACTION, AND NO AMOUNT OF RESTRUCTURING COULD SUBSTITUTE FOR IT. IN REPLY TO ANOTHER QUESTION, RAJA CHARACTERIZED THE OFFICIAL SOVIET ATTITUDE TOWARD ASEAN AS "NOT OPPOSED" BUT MENTIONED SOVIET PROESS CLAIMS THAT THE U.S. WAS TRYING TO TRANSFORM ASEAN INTO A MILITARY PACT. END SUMMARY.

4. IN FASHION SIMILAR TO BRIEFING HE ARRANGED FOR EEC/JAPAN/US/AUSTRALIA, NZ CHIEFS OF MISSION FOLLOWING 10TH ASEAN MINISTERIAL MEETING (REFTEL), FOREIGN MINISTER RAJARATNAM CALLED SAME GROUP TOGETHER AUGUST 17 TO FILL US IN ON SINGAPORE'S REACTION TO ASEAN SUMMIT MEETING AT KUALA LUMPUR. (ALSO PRESENT, TO HIS AND EVERYBODY ELSE'S SURPRISE, WAS HONORARY IRISH CONSUL.)

5. RAJA TOOK GENERALLY UP-BEAT LINE, INDICATING THAT WHILE ASEAN HADN'T MOVED MUCH BEYOND DECISIONS TAKEN AT BALI SUMMIT IN TERMS OF SETTING NEW INTRA-REGIONAL ECONOMIC OBJECTIVES, FACT HAD TO BE RECOGNIZED THAT, WITH FIVE PARTNERS AT DIFFERENT STAGES OF GROWTH AND HAVING DIFFERENT DOMESTIC

SITUATIONS, SOME COMPROMISE WAS NECESSARY ON PACE OF FUTURE DEVELOPMENT. FOR THE NEXT FEW YEARS, EFFORTS WOULD BE CONCENTRATED ON TRYING TO CARRY OUT BALI DECISIONS, PARTICULARLY THE FIVE REGIONAL INDUSTRIAL PROJECTS. RAJA INDICATED IN THIS REGARD THAT HE EXPECTED SOME COMPROMISE AT UPCOMING MEETING OF ECONOMIC MINISTERS AT PATTAYA ON SCORE OF SINGAPORE' DIESEL ENGINE PROJECT, BY WHICH SINGAPORE WOULD BE PERMITTED TO PRODUCE ENGINES IN ECONOMICALLY-VIABLE UNDER-FIVE HUNDRED HORSEPOWER RANGE.

6. RAJA ALSO SPOKE FAVORABLY OF WILLINGNESS ON PART OF SOME ASEAN PARTNERS TO ENLARGE LIST OF 71 PRODUCTS ON WHICH TARIFF REDUCTIONS WOULD BE GRANTED, DESPITE EARLIER RELUCTANCE ON PART OF THEIR ECONOMIC MINISTERS TO DO SO. IN ADDITION, HE SAID, THE TRIPARTITE SINGAPORE-PHILIPPINES-THAILAND AGREEMENT ON TARIFF

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REDUCTIONS FOR 1,758 PRODUCTS (WHICH WAS AUTOMATICALLY EXTENDED TO INDONESIA AND MALAYSIA ON A UNILATERAL BASIS) WOULD HAVE AN IMPACT ON REGIONAL ECONOMIC INTEGRATION. RAJA REMARKED THAT ORIGINAL INTENTION OF THE THREE PARTICIPANTS WAS TO ANNOUNCE AGREEMENT AT KUALA LUMPUR, BUT THIS WAS POSTPONED OUT OF DEFERENCE TO POSSIBLE MALAYSIAN SENSITIVITIES.

7. RAJA IN ADDITION NOTED PROGRESS IN TERMS OF ASEAN'S EXTRA-REGIONAL ECONOMIC RELATIONS, SAID THAT A GOOD CONSENSUS HAD BEEN REACHED AMONG THE FIVE IN PARTICULAR IN THEIR APPROACH TO THE EEC, JAPAN, AND THE U.S. HE ANTICIPATED GAINS IN ASEAN'S EXTERNAL ECONOMIC RELATIONS WOULD BE HELPFUL INTERNALLY IN ACCELERATING REGIONAL DEVELOPMENT AND IMPROVING COOPERATION.

8. TURNING TO POLITICAL CONSIDERATIONS, RAJA REPORTED A GREATER DEGREE OF AWARENESS AMONG ASEAN PARTNERS THAT IN FACING PROBLEMS OF A REGIONAL NATURE, E.G. QUESTIONS INVOLVING THE POSITION OF THE USSR AND VIETNAM, THEY WILL NEED TO RELY MORE ON THEIR JOINT RESOURCES AND LESS ON COUNTRIES OUTSIDE THE REGION SUCH AS THE U.S. AND EEC, WHICH ARE NOW "PLAYING A MORE DETACHED ROLE." RAJA EXPRESSED THE HOPE THAT ASEAN NATIONS COULD RESOLVE THEIR PROBLEMS WITH HANOI WITHOUT EXTERNAL HELP. SOME COUNTRIES WOULD HAVE PREFERRED A GREATER ATTENTION ON ASEAN'S PART WITH RESPECT TO SECURITY MATTERS, BUT IT WAS RECOGNIZED THAT ASEAN WAS NOT A SECURITY ORGANIZATION AND THAT SECURITY ISSUES HAD TO BE ADDRESSED INDIVIDUALLY OR BILATERALLY.

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TO SECSTATE WASHDC 8339

INFO AMEMBASSY BANGKOK

AMEMBASSY JAKARTA

AMEMBASSY MANILA

AMEMBASSY KUALA LUMPUR

AMEMBASSY CANBERRA

AMEMBASSY WELLINGTON

AMEMBASSY OTTAWA

AMEMBASSY PARIS

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9. RAJA MENTIONED IN CONNECTION WITH VIETNAM THAT HE WAS PUZZLED AT WAY HANOI HAD BLOWN HOT AND CLOLD TOWARD ASEAN- ON FIRST DAY OF KL SUMMIT IT HAD ISSUED A STRONG ANTI-ASEAN BLAST, THEN HAD COME OUT WITH SOFER LINE SAYING IT WAS NOT OPPOSED IF ASEAN FOCUSSED ON ECONOMIC MATTERS, AND THEN ON LAST DAY HAD ISSUED
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ANOTHER STRONG BLAST IN ITS ARMY NEWSPAPER. USSR HAD ECHOED HANOI'S ATTACKS IN ITS OWN ARMY PAPER, DESPITE FACT THAT SOVIET CHARGE IN SINGAPORE HAD BEEN DISTRIBUTING FAVORABLE SOVIET COMMENTARY (OR AT LEAST HE HAD TOLD RAJA HE HAD DONE SO). PREDICTABLY, THE PRC HAD GIVEN PROMINENCE TO ASEAN IN ITS OWN NEWS COVERAGE, AND HAD QUOTED SUMMIT SPEECHES BY ASEAN LEADERS IN NOT UNSYMPATHETIC TERMS.

10. ON SUBJECT OF "FIVE PLUS THREE" TALKS, RAJA DESCRIBED THESE AS HAVING COME OFF ON THE WHOLE POSITIVELY, DESPITE PREDICTIONS TO CONTRARY WITH RESPECT TO AUSTRALIA AND JAPAN. FRASER HAD PRESENTED HIS CASE WELL EVEN IF HE FAILED TO CONVINCE SOME OF THE FIVE OF AUSTRALIA'S NEED FOR PROTECTIONISM, AND IN LIGHT OF ASEAN'S LONG-TERM INTERESTS ALL WERE PREPARED TO ACCEPT FRASER'S ASSURANCES THAT ONCE AUSTRALIAN DOMESTIC SITUATION IMPROVED THERE WOULD BE A MOVE AWAY FROM PROTECTIONISM AND MORE LIBERAL ACCEPTANCE OF ASEAN GOODS. STATISTICALLY SPEAKING, NEW ZEALAND'S PROTECTIONISM RAISED NO REAL PROBLEMS FOR ASEAN DUE TO NZ'S SMALL SIZE, AND MEETING WITH MULDOON WAS PRIMARILY A MATTER OF ACCORDING HIM PROPER RESPECT. AS FOR FUKUDA, RAJA COMMENTED THAT THIS WAS FIRST TIME JAPANESE HAD TAKEN AN ACTIVE, POSITIVE ATTITUDE TOWARD ASEAN. FUKUDA HAD MADE IT PLAIN THAT WHILE JAPAN WOULD BE EVEN-HANDED IN ITS TREATMENT OF ASEAN AND INDO-CHINA, ASEAN WOULD STILL HAVE PRIORITY. RAJA SUBSEQUENTLY OBSERVED, HOWEVER, THAT FUKUDA'S OFFER OF \$1 BILLION IN SUPPORT OF THE FIVE ASEAN PROJECTS WAS "CLEVER" IN THAT MONEY WOULD BE AVAILABLE ONLY IF ALL ASEAN COUNTRIES WERE IN AGREEMENT ON A PROJECT, AND FEASIBILITY STUDY HAD BEEN COMPLETED. NEVERTHELESS, DECISION HAD BEEN MADE NOT TO PRESS THIS POSITION TOO HARD, SINCE IT DID REPRESENT A POSITIVE APPROACH AND MIGHT IN FACT BE AN INDUCEMENT TOWARDS REGIONAL ECONOMIC INTEGRATION.

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11. SUMMING UP THE SUMMIT, RAJA STATED THAT WITH RESPECT TO INTRA-REGIONAL ECONOMIC AFFAIRS, AN ADVANCE HAD TAKEN PLACE EVEN THOUGHT NOT AS RAPID AS SOME WOULD HAVE LIKED, AND THIS SHORT-FALL SHOULD IN NO WAY BE TAKEN AS A WEAKENING. A TREND HAD BEEN ESTABLISHED, AND ASEAN'S ECONOMIC PACE MIGHT ACCELERATE IN NEXT FEW YEARS. IT HAD BECOME A RECOGNIZED TACT BY ALL PARTICIPANTS THAT THERE WAS "NO WAY OUT" SAVE THROUGH ASEAN. MOREOVER, ASEAN WAS CONSOLIDATING ITS POSITION WITH THREE MAJOR EXTRA ASEAN ENTITIES - EEC, US, AND JAPAN - AND GETTING INVOLVED AND WORKING CLOSELY WITH THEM WAS NOW A PART OF ASEAN POLICY.

12. DURING QUESTION - AND ANSWER PERIOD, I ASKED WHERE QUESTION OF ASEAN RESTRUCTURING NOW STOOD. RAJA REPLIED THAT IT HAD BEEN INDONESIAN PROPOSAL TO GIVE MORE POWERS TO ASEAN SECRETARIAT AND THUS MAKE IT MORE EFFECTIVE, BUT THE OTHER FOUR HAD FELT EFFECTIVENESS OR LACK THEREOF WAS NOT MATTER OF ORGANIZATION BUT RATHER OF WILL; IN ABSENCE OF SET GOALS, THERE WAS NO POINT IN RESTRUCTURING. BECAUSE THE OTHER FOUR WERE QUITE FIRM ON THIS POINT, INDONESIAN PROPOSAL HAD NOT BEEN ACCEPTED. ALSO, MAJORITY HAD TAKEN POSITION THAT SECRETARY GENERAL COULDN'T REPRESENT ANYONE, AND THAT THE REPRESENTATIONAL FUNCTION HAD TO BE FILLED BY STANDING COMMITTEE IN PERIOD BETWEEN MINISTERIAL

MEETINGS.

13. IN RESPONSE TO REQUEST BY MY FRG COLLEAGUE FOR FURTHER EVALUATION OF SOVIET POSITION VS. ASEAN, RAJA SAID THAT BASIS OF CRITICISMS IN SOVIET NEWSPAPERS WAS ALLEGED EFFORTS OF US TO TURN ASEAN INTO A MILITARY PACT. RAJA DECLARED THAT HE HAD ASKED SOVIETS IN THIS REGARD JUST HOW ASEAN COULD MENANCE THE USSR EVEN IF IT BECAME A MILITARY PACT? OFFICIAL SOVIET POSITION, HE OBSERVED, WAS TO SAY THEY WERE "NOT OPPOSED," LEAVING CRITICISMS FOR THEIR PAPERS. RAJA SURMISED THAT THEY DIDN'T WANT TO CLOSE DOOR TO BETTER RELATIONS IN EVENT ASEAN BECAME WAVE OF FUTURE, BUT BASICALLY WOULD ACCEPT IT ONLY IF IT ASSUMED "ANTI-IMPERIALIST" CAST. HE ALSO SPECULATED THAT SOVIETS FELT THEIR ROLE WAS LIMITED BECAUSE OF ASEAN'S CONCERN OVER STRENGTHENING TIES WITH CONFIDENTIAL

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EEC, US, AND JAPAN.

14. COMMENT: EVEN THOUGH SINGAPORE IS UNDOUBTEDLY DISAPPOINTED AT ASEAN'S LACK OF ECONOMIC PROGRESS SINCE BALI, RAJARATNAM'S BRIEFING INDICATES THAT HIS GOVERNMENT WILL TRY TO PUT BEST POSSIBLE FACE ON SITUATION AND STICK IT OUT. AFTER ALL, AS RAJA IN EFFECT STATED, ASEAN IS THE ONLY GAME IN TOWN AND SINGAPOE HAS TOO MUCH INVESTED IN IT IN TERMS OF PRESTIGE AND EXPENDITURE OF EFFORT TO PULL OUT NOW. AND, AS RAJA NOTED, ASEAN IS ACHIEVING A SUBSTANTIAL DEGREE OF POLITICAL UNITY AND IS DOING QUITE WELL IN ITS ECONOMIC RELATIONS WITH COUNTRIES OUTSIDE THE REGION. ACCORDINGLY, WE CAN EXPECT SINGAPORE TO KEEP PLUGGING AWAY ON ISSUES SUCH AS EXPANDING LIST OF PRODUCTS TO BE ACCORDED AREA-WIDE TARIFF REDUCTIONS, WHILE AT SAME TIME INVOLVING ITSELF MORE DEEPLY IN TRIPARTITE ARRANGEMENTS INVOLVING SINGAPORE AND THE MORE LIKE-MINDED ASEAN COUNTRIES. IT WILL ALSO TAKE PART VIGOROUSLY IN ASEAN'S RELATIONS WITH THE EEC, JAPAN, THE US, AUSTRALIA, NEW ZEALAND, AND OTHER EXTRA-REGIONAL FORCES. ONE THING TO WATCH IS THE RESTRUCTURING ISSUE - IT HARDLY SEEMS LIKELY THAT INDONESIA HAS COMPLETELY DROPPED ITS EFFORTS TO STRENGTHEN ASEAN SECRETARIAT AT EXPENSE OF STANDING COMMITTEE. TWO MUCH PRESSURE FROM INDONESIA COULD CASUSE OTHER MEMBERS TO DRAW BACK IN THEIR COMMITMENT TO ASEAN.
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Message Attributes

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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977SINGAP03563
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770302-0275
Format: TEL
From: SINGAPORE
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770843/aaaabkef.tel
Line Count: 322
Litigation Code IDs:
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Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Retention: 0
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Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1546901
Secure: OPEN
Status: NATIVE
Subject: BRIEFING BY SINGAPORE FOREIGN MINISTER ON ASEAN SUMMIT
TAGS: EGEN, PFOR, SN, ASEAN
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/cf0c0358-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009